

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2230

Introduced by Assembly Member Charles Calderon

February 18, 2010

An act to ~~amend Section 18639 of~~ *add Section 19196* to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2230, as amended, Charles Calderon. ~~Franchise and income tax law: information returns. Franchise Tax Board: administration: list: publicly traded corporations.~~

Existing income and corporation tax laws require the Franchise Tax Board to annually list the 250 largest tax delinquencies in excess of \$100,000.

This bill would require the board to make available as a matter of public record and post on its Internet Web site by March 31, 2011, and annually thereafter, a list of the 100 largest publicly traded corporations, based on gross receipts, filing tax returns for a taxable year and with tax expenditures, as specified.

~~Existing law requires every person, who either makes payments of exempt-interest dividends, as specified, or receives payments of interest exempt from tax, as specified, as a nominee and makes payments to any person with respect to the interest received, to file an information return as prescribed by the Franchise Tax Board and to furnish a statement to each person named in the return.~~

~~This bill would make a technical, nonsubstantive change to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19196 is added to the Revenue and
2 Taxation Code, to read:
3 19196. (a) Notwithstanding any other provision of law, the
4 Franchise Tax Board shall make available as a matter of public
5 record and post on its Internet Web site by March 31, 2011, and
6 annually thereafter, a list of the 100 largest publicly traded
7 corporations, based on gross receipts, filing tax returns for a
8 taxable year and with tax expenditures. The list shall commence
9 with tax returns filed for taxable years beginning on or after
10 January 1, 2008.
11 (b) Each annual list as described in subdivision (a) shall include
12 the following information for each corporation:
13 (1) The name of the corporation.
14 (2) The California corporation number.
15 (3) The address of the principal office.
16 (4) The aggregate amount of tax expenditures.
17 (5) The effective tax rate.
18 (c) For purposes of this section, the following definitions shall
19 apply:
20 (1) "Effective tax rate" means an amount, expressed as a
21 percentage, determined by dividing the amount of taxes paid by a
22 taxpayer for a taxable year by an amount equal to the sum of the
23 following:
24 (A) The taxable income of the taxpayer for the taxable year.
25 (B) The tax expenditures of the taxpayer that were deducted by
26 the taxpayer in arriving at the taxable income of the taxpayer for
27 the taxable year.
28 (2) "Tax expenditure" means tax expenditures as detailed in
29 the California Income Tax Expenditures, Compendium of
30 Individual Provisions Report, compiled by the Franchise Tax
31 Board.
32 ~~SECTION 1. Section 18639 of the Revenue and Taxation Code~~
33 ~~is amended to read:~~
34 ~~18639. (a) (1) In addition to those reports required under~~
35 ~~paragraph (8) of subdivision (c) of Section 18631, information~~

1 returns shall be required, at the time and in the form and manner
2 and to the extent that the Franchise Tax Board may prescribe, from
3 both of the following:

4 (A) Every person who makes payments of exempt-interest
5 dividends, as described in Section 852(b)(5) of the Internal
6 Revenue Code, that are not exempt-interest dividends, as described
7 in Section 17145 of the Revenue and Taxation Code, aggregating
8 ten dollars (\$10) or more to any person, other than to any person
9 described in paragraph (2), during any calendar year.

10 (B) Every person who receives payments of interest as a
11 nominee and who makes payments aggregating ten dollars (\$10)
12 or more during any calendar year to any other person, other than
13 to any person described in paragraph (2), with respect to the interest
14 so received. For purposes of this paragraph, "interest" is limited
15 to interest on any obligation if the interest is exempt from tax under
16 Section 103(a) of the Internal Revenue Code or if the interest is
17 exempt from tax, without regard to the identity of the holder, under
18 any other provision of Title 26 of the United States Code, but
19 which is not exempt from income tax under Part 10 (commencing
20 with Section 17001).

21 (2) For purposes of this subdivision, a person shall not be
22 required to make a report pursuant to paragraph (1) if the person
23 receiving the payment is any of the following:

24 (A) A corporation.

25 (B) An organization exempt from taxation under Section 23701
26 or an individual retirement plan.

27 (C) The United States or any wholly owned agency or
28 instrumentality thereof.

29 (D) A state, the District of Columbia, a possession of the United
30 States, any political subdivision of any of the foregoing, or any
31 wholly owned agency or instrumentality of any one or more of the
32 foregoing.

33 (E) A foreign government, a political subdivision of a foreign
34 government, or any wholly owned agency or instrumentality of
35 any one or more of the foregoing.

36 (F) An international organization or any wholly owned agency
37 or instrumentality thereof.

38 (G) A foreign central bank of issue.

- 1 ~~(H) A dealer in securities or commodities required to register~~
2 ~~under the laws of the United States or a state, the District of~~
3 ~~Columbia, or possession of the United States.~~
4 ~~(I) A real estate investment trust, as defined in Section 856 of~~
5 ~~the Internal Revenue Code.~~
6 ~~(J) An investment company, as defined in Section 80a-3 of the~~
7 ~~United States Code, registered at all times during the taxable year~~
8 ~~under the Investment Company Act of 1940.~~
9 ~~(K) A common trust fund, as defined in Section 17671.~~
10 ~~(L) Any trust that is exempt from tax under Section 664(c) of~~
11 ~~the Internal Revenue Code.~~
12 ~~(b) Every person required to make a return under this section~~
13 ~~shall also furnish a statement to each person whose name is set~~
14 ~~forth in the return, as required to do so by the Internal Revenue~~
15 ~~Code.~~